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1962/12/21

Subject to slight
editorial changes in
Spanish translation. JBC
12/21/62

MEMORANDUM OF AGREEMENT

Between representatives of the Government of Cuba and the Cuban Families Committee for the Liberation of Prisoners of War Inc. made in Havana this 21st. day of December, 1962.

- 1.- The basic understanding of the parties, on matters previously agreed upon, is ratified and confirmed.
- 2.- This memorandum is designed for the further assurance of the Government that the Committee in good faith and to the best of its ability will perform its pledges to the Government.
- 3.- The Committee agrees that it will exert every effort to supply the Government with medical and pharmaceutical supplies, including foodstuffs nutritious for children before July 1st, 1963 and in conformity with the list prepared by the Government.
- 4.- The values shall be determined as provided in the Letter of Credit issued to the Government today by the Royal Bank of Canada, Montreal.
- 4A- 15% shall be the agreed percentage to cover all cost of transportation (land, sea and air), all insurances, all overseas packing and any and all other charges beyond the FOB prices.
- 5.- To the extent that the Committee certifies that it is absolutely unable to supply any items in whole or in the quantities specified in the Government list, the Government shall specify other alternatives and the Committee shall make every effort to obtain such substitute materials. However, in the event the Committee finally certifies that it has exhausted all such alterations, the Government shall have the right to have the equivalent value supplied in basic foodstuffs nutritious for

children, such as the materials referred to in the first list supplied to the Committee by the Government.

- 6.- This is an agreement in which the utmost good faith is required on the part of both parties, who agree that time is of the essence and every effort humanly possible will be made to effect the exchange of the prisoners upon delivery of the first shipment covered by the Letter of Credit. To that end the Government shall send today to Miami, Florida, U. S. A. several representatives of the Cuban Red Cross who shall, together with representatives of the American Red Cross and the Committee inspect the shipments.
- 7.- Dr. Donovan will remain in Havana to complete the attestation in the Canadian Embassy to make effective the Letter of Credit in accordance with its items.
- 8.- A copy of this memorandum shall be deposited with the Royal Bank of Canada, to clarify the intent of the parties under the Letter of Credit.
- 9.- The Government states its intention that the materials supplied under the agreement satisfy the indemnity fixed by the Revolutionary Tribunals which passed judgement, upon the happenings of the day of rigs.

For the Government

John G. Diefenbaker

W. M. Clark

For the Committee

Alberto Arbelaez

Chairman

General Counsel

DRAFT FOLLOWS

REMARKS OF THE GOVERNMENT:

THE GOVERNMENT OF CUBA (HEREINAFTER
CALLED "THE GOVERNMENT") AND THE CUBAN FAMILIES COM-
MITTEE (HEREINAFTER CALLED "THE COMMITTEE") AND THE COUNCIL OF WAR, INC. (HEREINAFTER
CALLED "THE COUNCIL OF WAR"), THE LATTER BEING A CORPORA-
TION DULY ORGANIZED AND EXISTING IN ACCORDANCE WITH THE LAWS OF THE STA-
TE OF NEW YORK, AND THE DEPARTMENT OF TREASURY DEPARTMENT OF THE
UNITED STATES AND THE COUNCIL OF WAR GIVES THE GOVERNMENT OF
THE UNITED STATES ITS FULL SUPPORT AND ITS SYMPATHY :-----

THE GOVERNMENT HERBY GUARANTEES TO THE GOVERNMENT THAT IT
WILL USE ITS BEST EFFORTS (a) TO ASSIST THE COUNCIL OF WAR, INC., AND
THE COMMITTEE (BOTH OF WHICH ARE PUBLICLY OWNED
AMERICAN CORPORATIONS, HAVE INTERNATIONAL REPUTATIONS OF
THE HIGHEST ORDER AND HAVE MANY SUBSIDIARIES THROUGHOUT THE
WORLD, INCLUDING LATIN AMERICA) THAT EACH COMPANY SHALL LEAD
ITS BEST EFFORTS AND RESOURCES (a) TO ASSIST THE COMMITTEE TO-
WARD THE ATTAINMENT OF THE COMMITTEE'S OBJECTIVES, (b) TO IN-
DUCE OTHER SIMILAR ORGANIZATIONS OF COMPARABLE REPUTATION IN
THE PHARMACEUTICAL FIELD ALSO TO ASSIST THE COMMITTEE, AND (c)
TO ESTABLISH THE GENERAL ARRANGEMENTS EXEMPLIFIED BY THE FIRST
DELIVERY UNTIL FINAL COMPLETION OF THE AGREEMENT TO THE BEST
OF THEIR ABILITIES ALL OF THE FOREGOING DESIGNED TO CARRY OUT

in all respects the following terms of this agreement:—
Article I. The guarantees to deliver to the Government, in
various materials consisting of drugs, medicines and medical
supplies, at wholesale catalog value in Havana in the total
amount of one million dollars (\$100,000,000) * which the
Government may require because of the human
and animal epidemics or infestations of at least 60%

(* All dollars are expressed in thousand dollars, at the request
of the Board.

3.-The Committee further agrees that the total cost of making such deliveries (including the cost of packing for overseas shipment, say and all insurance premiums and all costs of transportation, whether by air or by sea) shall be paid by the Consignee, in addition to the values specified in this agreement.

_____ further, as evidence of good faith,
that the first shipment of such articles shall consist of ap-
proximately twenty per cent (20%) of the total values specified
in Paragraph "2" of this agreement and shall be delivered by
air freight to Havana before any prisoners who are the subject
of this negotiation are released.

5.-The first shipment shall consist of the schedule of materials immediately available, a copy of which list has been given to the Government. It shall also include, to the extent necessary to reach the total of ten million dollars (\$10,000,000) in such wholesale values, materials conforming as nearly as possible to those specified in a list to be provided by the Government.-----

6.-It is contemplated by the parties that the medical supplies shall include to much as possible in the form of medical food rationed for infants and in any event the amount of such formulae shall have a wholesale value of five million dollars (\$5,000,000).-----

7.-To summarize the foregoing, in addition to the actual delivery of the medical supplies, which shall approximate ten million dollars (\$10,000,000) in wholesale values, the Committee has deposited with the Royal Bank of Canada, in Montreal, Canada, an amount approximating \$17,000,000, or seventeen million dollars (\$17,000,000), and will also issue an irrevocable Letter of Credit for that amount and be purchased from the Royal Bank of Canada, for the specified purpose of completing this transaction and no other purpose; the existence of this irrevocable Letter of Credit may be confirmed to the Government through the Royal Bank of Canada.-----

8.-The Committee guarantees to the Government that the Committee and the pharmaceutical companies shall take every measure in good faith to assure that all materials delivered after the first shipment shall be of the highest quality, in conformity with the international reputation of the pharmaceutical companies, and shall be at their standard wholesale prices for Cuba.-----

9.-After the first shipment, the Committee undertakes to receive from the Government lists of drugs, medicines and medical supplies to be provided by the Government, from time to time, and shall make every reasonable effort to conform to the quantities and other specifications in such lists.-----

It being contemplated by

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the parties that all deliveries be completed within six months from the date hereof and in no event more than nine months.

10.-In addition to all the foregoing, the Committee affirms that it now has on deposit in the Royal Bank of Canada, Montreal Branch, the sum of two million, nine hundred and twenty five thousand dollars (\$2,925,000) to be used in order to discharge the separate personal obligation undertaken by the Committee on April 14th, 1948, when the Government released 60 Cuban prisoners in return for such a commitment.

11.-Upon the execution of this agreement, and upon mutual agreement as to which countries of deliveries and exchanges, but before the release of the prisoners, the Committee shall arrange to have the compensation delivered to Havana and the two million, nine hundred and twenty five thousand dollars (\$2,925,000) transferred from the Committee's account to the account of the Government or its representatives in the Royal Bank of Canada, in Montreal, Canada, a fact to be confirmed by telephone by the representative of The Royal Bank of Canada in Havana.

12.-The Committee warrants that the total value to the Cuban Government of the values referred to in Paragraphs "2", "3" and "10" of this agreement substantially satisfies the Government's claim for indemnification in this matter.

13.-Finally, the Committee agrees that at all times it shall exercise the utmost good faith in carrying out not only the letter but the spirit of this agreement.

IN WITNESS

14.-In return for the foregoing and immediately after official

notice of the transfer of the two million, nine hundred and
fifty-five thousand dollars (\$2,925,00) and the receipt in
Havana of the first shipment described above, the Government
shall release to the Committee for identification at Havana
Airport, and unobstructed transportation to the United States
by airplane provided by the Committee the one thousand, one
hundred and fifteen (1,115) prisoners who are the remaining
survivors of the battle of the Bay of Pigs, for whose
~~release~~ ~~repatriation~~ ~~return~~ ~~reunification~~ ~~primarily negotiating~~; the Com-
mittee's members shall be permitted to arrive and depart without
any delay or hindrance of the Government.

15.- The Government will carry out its obligations under
this agreement with good will and faith.

16.- Both parties agree that it is not in the best interest of
future relations that the complete text of this agreement be
~~made public~~ ~~be made a written document of both parties.~~

Havana, Cuba, October 1962.

CUBAN FRIENDS COMMITTEE
FOR LIBERATION OF PRISO-
NERS OF WAR, INC.

GOBIERNO REVOLUCIONARIO
DE CUBA.

Alvaro Sanchez, Jr.
President.

Dr. Fidel Castro Ruz
Primer Ministro.

Ernesto Freyre
Secretary

James B. Donovan
General Counsel